

An aerial photograph of Hong Kong at dusk. The city's dense skyline is visible, with numerous skyscrapers illuminated. The Victoria Harbour is in the foreground, with several ships and boats. The background shows the city's natural landscape with mountains and hills. A semi-transparent blue triangle is overlaid on the left side of the image, containing the text.

Eunice Chu CPA & Co.

Structure your business for future success  
Session 1

# Eunice Chu

CPA, FCCA, HKICPA, SCAA

**Experienced corporate trainer since 1997** of International Financial Reporting Standards (HKFRS). Deliver trainings to

- commercial sector;
- finance professional community;
- universities; and
- government officials.

**Locations:** Hong Kong, Macao, Shanghai  
Vietnam, Singapore, Cambodia and North America.

**Working experience** in Big 4, MNC regional finance.

**Corporate advisory, consultancy work & corporate reporting, through**  
**EC Training and Advisory Limited.**

# Course Agenda for Session 1

1. Determine your business structure
2. Procedure of setting up a company
3. Open a separate bank account for your business
4. Get a separate credit card for your company?
5. Determine the financial cycle
6. Use the right software for record keeping





A man with glasses and a checkered shirt is sitting at a desk, looking at a tablet. In the background, there are multiple computer monitors displaying lines of code. On the desk, there is a blue mug and a keyboard. A semi-transparent blue banner is overlaid on the left side of the image.

# Business Structure

# Company types



1. Sole Proprietorships



2. Partnerships

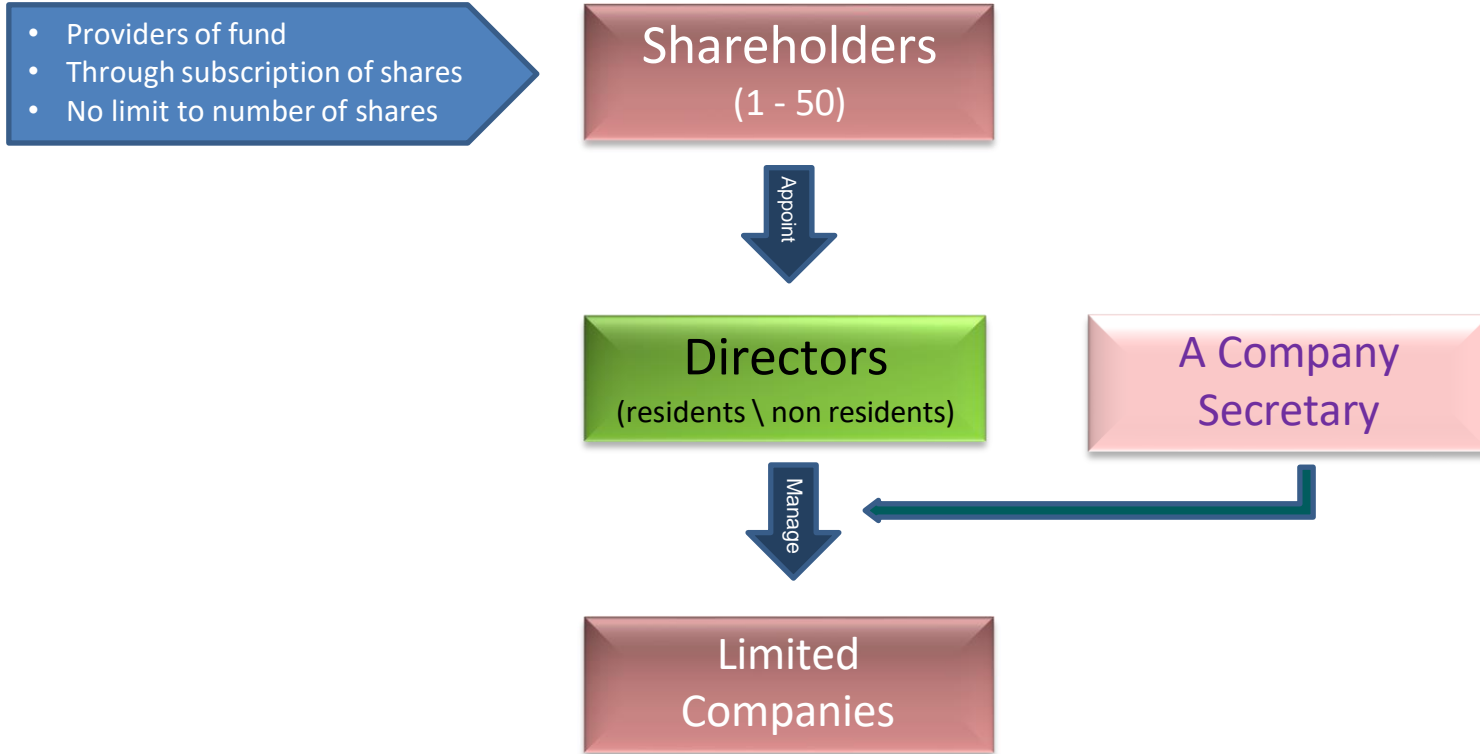


3. Limited liability companies (LLC)

Unlimited liability companies

Separate legal entity

# Limited liability Company Structure



# Shareholders

Company A			Company B	Company B i
David Chan	500	50%	1	
Mary Wong	500	50%		
New investors	-			
Issued share capit				

# Directors

## Board of Directors

- manage the company
- one to unlimited numbers
- fiduciary duty : shareholders entrust the company in director's hands
- stewardship : he needs to act at the best interest of the company





# Company Secretary

## Polling Question #1

Any decision making power ?

- a. Yes
- b. No



Duties include:

- Hold Annual General Meeting (AGM) of shareholders
- Prepare minutes of AGM
- Prepare minutes of Board of Director



# Green Box & Common Seal

of Hong Kong company

# Procedure of setting up a limited company

Process of setting up a limited company

1. Name search

<https://www.icris.cr.gov.hk/csci/>

2. Fill in NNC1 + A&A for the incorporation with Companies Registry

<http://www.cr.gov.hk/en/forms/specified.htm>

3. Print Green Box

<http://www.ckltd.co/>



編號  
No. 公司註冊證明書  
CERTIFICATE OF INCORPORATION本人謹此證明  
I hereby certify that

Happy Company Limited


於本日根據香港法例第622章《公司條例》  
Is this day Incorporated in Hong Kong under the Companies Ordinance  
在香港成立為法團，此公司是一間  
(Chapter 622 of the Laws of Hong Kong), and that this company is  
有限公司。  
a limited company.

本證明書於二〇一八年七月二十日發出。  
Issued on 20 July 2018.

  
香港特別行政區公司註冊處處長鍾麗玲  
Ms Ada L.L. CHUNG  
Registrar of Companies  
Hong Kong Special Administrative Region

註 Note:  
公司名稱獲公司註冊處註冊，並不表示獲授予該公司名稱或其任何部分的商標權或任何  
其他知識產權。  
Registration of a company name with the Companies Registry does not confer any trade mark rights  
or any other intellectual property rights in respect of the company name or any part thereof.

Certificate of  
incorporation

表格 2 FORM 2 (商業登記條例) (第 310 章) BUSINESS REGISTRATION ORDINANCE (Chapter 310) (商業登記規則) BUSINESS REGISTRATION REGULATIONS 商業/分行登記證 Business/Branch Registration Certificate			
正本 ORIGINAL			
複本 DUPLICATE			
業務/法團所用名稱 Name of Business/ Corporation	ROYALE BUSINESS CLUB LIMITED		
業務/分行名稱 Business/ Branch Name	***** *****		
地址 Address	2/F KAI WONG COMM BLDG 294 QUEEN'S RD CENTRAL HK		
業務性質 Nature of Business	CORP		
法律地位 Status	BODY CORPORATE		
生效日期 Date of Commencement	屆滿日期 Date of Expiry	登記證號碼 Certificate No.	登記費及徵費 Fee and Levy
17/08/2007	16/08/2008	38295883-000-08-07-1	\$2,600 (登記費 FEE = \$2,000) (徵費 LEVY = \$ 600)
請注意下列《商業登記條例》的規定 (SEE OVERLEAF FOR ENGLISH VERSION)			
第 6(6) 條規定就任何業務發出商業登記證或分行登記證，不得當作隱含以下意思：有關該業務或經營該業務的人或受僱於該業務的僱員的任何法律規定已獲遵從。			
第 7(2) 條規定任何經營業務人士，倘在現有商業登記證期滿後未有收到繳款通知書，須於 1 個月內以書面通知稅務局局長。			
第 8 條規定凡申請登記表格內所列業務詳情有任何變更時或凡某項業務經已結束，任何經營有關業務的人或任何在結束前經營該項業務的人須於該變更發生時或該項業務結束時起計 1 個月內，以書面通知局長。			
第 12 條規定各業務須將其有效的商業登記證或有效的分行登記證於每一營業地點展示。			
第 15(1) 條規定對觸犯本條例者可施行的罰則，包括罰款 \$5,000 及監禁 1 年。			
第 21 條規定須將收取徵費所得的全部款項撥付破產欠薪保障基金。			
繳款時請將此商業登記證及繳款通知書完整交出。在付款後，本繳款通知書方成為有效的商業登記證。 PLEASE PRODUCE THIS CERTIFICATE AND DEMAND NOTE INTACT AT TIME OF PAYMENT. IT WILL ONLY BECOME A VALID BUSINESS REGISTRATION CERTIFICATE UPON PAYMENT. 繳印所示登記費及徵費收訖。(請參閱背頁繳款辦法所載內容) RECEIVED FEE AND LEVY HERE STATED IN PRINTED FIGURES. (Please see payment instructions on back)			
I.R.D.B. 101B (5/2005) 008/07 56839164 013096 CHQ			\$2,600

Business  
registration  
license



Inside the  
green box



A photograph of two business people shaking hands over a desk. The person on the left is wearing a light grey suit and a watch. The person on the right is wearing a dark green suit. On the desk, there is a laptop, a small potted plant, a notebook, and a cup of coffee. A large blue arrow graphic points from the left towards the right, partially obscuring the handshake.

Setting up companies' bank accounts

Setting up a bank account with a local bank in Hong Kong


<https://www.business.hsbc.com.hk/en-gb/products/document-checklist>

Original or **certified true copy (by CPA/lawyer)** of the following

- a. Certificate of incorporation
- b. Business registration license
- c. NNC1
- d. Latest annual return – for company aged over one year
- e. Article of association
- f. Copies of HKID card or passport of all directors and shareholders
- g. Residential proof (i.e. utility bills within three months) of all directors / shareholders

**h. One page business plan/description i.**

Samples of sales/income invoices for operating company



Business Plan for  
open bank account

## Traditional banks

- HSBC
- Hang Seng Bank
- Dah Sang Bank
- Standard Chartered Bank
- Fubon
- Bank of China
- Bank of Communication
- Bank of East Asia



## Virtual banks

- Neat  
<https://www.neatcommerce.com/>
- Airwallex  
<https://www.airwallex.com/hk>
- Statrys  
<https://statrys.com/>
- Transwap  
<https://www.transwap.com/hk>

### Standard bank account package

1. Saving account
2. Cheque account
3. Different foreign currencies accounts (all major foreign currencies except RMB)

### Accept settlements by :

1. Cash (minimize)
2. Cheques
3. Credit card – get merchant account
4. Paypal
5. Payme
6. Stripe
7. Telegraphic Transfer (TT)
8. Tap-And-Go (TNG)
9. Octopus
10. All kind of currencies





### Facilitate customers settlements

Show company bank details or merchant code in the sale invoices

Please kindly draw a cheque payable to “ABC Limited.”

Or deposit the cheque to the following bank accounts and fax us the bank in slip.

#### Bank account details

**Hong Kong and Shanghai Banking Corporation Limited**

**Bank address: 1 Queen's Road, Central, Hong Kong .**

**Account number : 178-XXXXXX-001**

**Beneficiary name : ABC Limited.**

**Swift code: HSBCHKHHHKH**





## Polling Question #2

Does my company need a corporate credit card for payments?

- Yes
- No
- It depends

## Polling Question #3

Any alternative to corporate credit card?

- Use personal credit card
- Use corporate debit card

# Financial cycle



# Accounting and Book-keeping



## Polling question #4

Only limited companies need to prepare book-keeping?

- a. True
- b. False

## Polling question #5

Must a limited company be audited?

- a. YES, audited by CPAs for compliance of the Companies Ordinance.
- b. No, only large companies need to be audited

# Accounting and Book-keeping



## Polling questions #6

3. How many years of record have to be kept ?

- a. No more than 5 years
- b. At least 7 years
- c. Maximum 10 years

## Polling questions #7

When should be the financial year end ?

- a. Any month
- b. 31 March each year
- c. 31 December each year

## Should have use any system?

### 1. Only a few transaction in a year?

- Answer: No need, please use excel to summarize income and expenses

### 2. Specialized industry such as clinic, assets management?

- Answer: use the industry specific software

### 3. How about all other general businesses? And why?

- Answer: suggest use cloud base (accounting) software, such as Xero
- Xero is linked to bank → better **trace customers' settlement**
- Issue invoices to customers quicker and **speed up cash inflow**
- Pricing: USD22 to USD47 per month only, no set up fee



## Questions from the floor

- What need to prepare for accounting for a start-up?
- Any tips about company registration location to save money from tax, compare Hong Kong and other places.
- Does everyone at the top managerial goals should at least have some knowledge about accounting? If yes, then how much?
- How best to automate the workflows for a startup from an accounting point of view? Thanks.
- Should I continue to invest on my YouTube channel even if it takes a long time to monetize and stop losing money
- At what stage should one hire an accountant?
- Do you need to have a clear work/task/duty flow within a startup?



# Course Agenda for Session 2

## Employing vs outsourcing

- Employing vs outsourcing: the pros and cons
- Steps of employing staff
- Setting up Mandatory Provident Fund (MPF)
- Insurance requirement
- Handle employer's tax return

Get a private consultation from a CPA to save up your time and avoid costly mistakes





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Thank you

